

91174



NEW ZEALAND QUALIFICATIONS AUTHORITY
MANA TOHU MĀTAURANGA O AOTEAROA

QUALIFY FOR THE FUTURE WORLD
KIA NOHO TAKATŪ KI TŌ ĀMUA AO!

2

SUPERVISOR'S USE ONLY

Level 2 Accounting, 2017

91174 Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems

9.30 a.m. Thursday 23 November 2017
Credits: Four

Achievement	Achievement with Merit	Achievement with Excellence
Demonstrate understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate in-depth understanding of accounting concepts for an entity that operates accounting subsystems.	Demonstrate comprehensive understanding of accounting concepts for an entity that operates accounting subsystems.

Check that the National Student Number (NSN) on your admission slip is the same as the number at the top of this page.

You should attempt ALL the questions in this booklet.

If you need more room for any answer, use the extra space provided at the back of this booklet.

Check that this booklet has pages 2–15 in the correct order and that none of these pages is blank.

YOU MUST HAND THIS BOOKLET TO THE SUPERVISOR AT THE END OF THE EXAMINATION.

TOTAL

ASSESSOR'S USE ONLY

Holly depreciates the quad bikes using the units-of-use depreciation method.

<i>Native Taupo</i>	
Note: Property, plant and equipment (extract) as at 31 March 2017	
	Quad bikes \$
Cost	35 000
Less: accumulated depreciation	7 200
Carrying amount	27 800

- (b) Justify the reporting of the quad bikes **and** their depreciation in the financial statements of *Native Taupo*. In your answer:
- describe the units-of-use method of depreciation
 - explain why this method of depreciation is being used for the quad bikes
 - explain how the qualitative characteristic of relevance is applied to the reporting of the quad bikes at **carrying amount** in *Native Taupo*'s Property, Plant and Equipment Note above.

THERE IS MORE SPACE FOR YOUR ANSWER ON PAGE 8 >>

Acknowledgements

Images from the following sources have been used in this examination.

Page	Source
2	http://www.mnn.com/lifestyle/responsible-living/stories/4-training-courses-for-young-farmers
4	http://pertiwiadventure.com/gallery.html
9	http://www.lefigaro.fr/jardin/fiche-plante/2015/05/11/30011-20150511FICFIG00138-tetragone-cornue.php

91174